FILE NO 46 1874
SERIES - 1-6

Incomplete

Government of India's
Resolutions on the grant of loans
to Municipalities.

Endorsed
J. P.

1875 2s 107.

From M. Asst. Secty to the

To Govt of India Financial

The Chief Commr of Mysore

Dated 27th February 75

Despatched

Received 5 March

ENCLOSURES NO.

General No. 1372

No.

With reference to the application for a loan of Rs 8000 in behalf of the Bangalore Municipality forwards copy of rules framed under the "Public Works Loan Act 1871" & requests that the particulars therein required may be furnished.

15-3-75

Copy of the rules on the subject may be forwarded to the Government with the request that the particulars required may

L21

be furnished for submission to Govt in the matter of the loan of Rs 8000 required for the improvement of the Town of Bangalore in the Municipality under Sec 3 & 4 of the 6th December 1874

15/3/75

No. 1372

To

The Chief Commissioner of Mysore,

Financial Department Sir,

With reference to your letter No. 8050/457 dated 8th February 1875, applying for a loan of Rupees 8.000 in behalf of the Bangalore Municipality for the purpose of enabling them to carry out certain works, I am directed to forward a copy of the rules framed under the "Public Works Loan Act 1871," and to request that the Government of India may be furnished with the particulars therein required.—

I have the honour to be,

Sir,

Your most obedient Servant

Fort William
The 27th February 1875.

Assistant Secy to the Govt of India

GRANT OF LOANS TO MUNICIPALITIES, &C.

Accts. Pro., May 1872, No. 98.
„ „ Mar. 1873, Nos. 48 to 58.
„ „ June „ „ 9 & 10.

No. 3761, dated 15th October, 1873.

No. 30.] *NOTIFICATION—By the Government of India,* FINANCIAL DEPT.

In exercise of the power conferred by Section 4 of the Local Public Works Loan Act, 1871, the Governor General in Council is pleased to revoke the rules published with notification No. 2987, dated 25th April 1872, and amended by notifications No. 1376, dated 25th February 1873, and No. 821, dated 4th June 1873, and to make the following rules in respect of loans under the said Act, to bodies corporate, municipal committees, or other persons legally entitled to the control or management of any local or municipal fund, or legally entitled to impose any cess, rate, duty, or tax upon any persons in any local limits:—

I.—A loan under the said Act shall be made only on the security of the aggregate of all funds, cesses, rates, duties or taxes, received by the body, committee or persons, to which or to whom the loan is made, and of all property vested in such body, committee or persons for the purposes of the local or municipal fund under their control.

II.—No such loan shall be made except for the construction or repair of works of public utility within the local limits of the authority of the body, committee or persons making application for a loan, or intended for the benefit of the general community dwelling within such limits.

Loans may be made to enable such body, committee or persons to discharge a debt incurred before the passing of the Act for the construction or repair of such works.

III.—An application for a loan under the said Act shall be made to the Local Government, and shall be signed by three-fourths of the members of the managing body or committee duly constituted and acting for the persons on behalf of whom the loan is applied for. Every such application shall state,—

1*st.* The work for the construction or repair of which the loan is required and an estimate of the cost thereof:

2*nd.* The amount of loan applied for:

3*rd.* The funds, cesses, rates, duties, or taxes, and the property, if any, on the security of which it is proposed that the loan shall be made:

4*th.* The law or laws under which the said funds, cessses, rates, duties, taxes, are levied or received, and the title on which the said property is held:

5*th.* The period for which the loan is required, the number and amount of the instalments, if any, in which it is proposed that the loan shall be made, the dates proposed for receiving such instalments, and the instalments in which it is proposed to repay the loan:

6*th.* The proceeds of each of the funds, cesses, rates, duties, or taxes, and all other income received by such body, commttte or persons, and all expenditure incurred in each of the three last preceding years:

7*th.* The value of the property, if any, offered as security:

8*th.* All existing prior charges upon any source of income accruing to, or upon any property vested in, such body, committee or persons.

IV.—The Local Government shall cause any necessary enquiry to be made into the statements contained in the application and into the use and value of the proposed work.

V.—If it appears to the Local Government that the loan ought not to be granted, it shall reject the application. If it appears to the Local Government probable that the loan ought to be made, it shall cause to be published in the local official Gazette, and otherwise, as it deems fit, within the local limits of the authority of the body, committee or persons concerned, a copy of the application and such particulars in regard to any enquiry made under Rule IV as it may think necessary. After the expiry of one month from such publication, and after calling for any further information that it may require, and considering any objections that may be preferred, the Local Government may either reject the application, or, if the Governor General in Council do not otherwise direct, may authorise the loan, subject to the provisions of the following rules.

VI.—(*a*) Saving as provided in clause (*b*), the Local Government may make loans under the said Act from such sums as the Governor General in Council may from time to time allot for the purpose.

(*b*) If the loan applied for is more than twice the annual income on the security of which it is proposed that the loan shall be made, or if it is not less than Rs. 50,000, or if the body, committee, or persons applying for the loan be not a municipal committee, or persons legally entitled to the control or management of a municipal fund, the previous sanction of the Governor General in Council shall be necessary.

VII.—In the orders sanctioning the grant of any loan, the Governor General in Council, or the Local Government, as the case may be, shall record precisely the conditions upon which the loan will be made. Payments to any body, committee or persons, on account of loans under the said Act shall be made on receipts signed on behalf of such body, committee or persons, in the manner in which orders for the disbursement of money on behalf of such body, committee or persons are required by the law in force to be signed. If there be no such law, such receipts shall be signed by the President or Chairman, and by the Vice-President or Vice-Chairman, and by two members of such body or committee. When any receipt has been duly signed, it shall be deemed to be an acceptance by such body, committee or persons, of the loan and of all the conditions upon which it is granted.

VIII.—The Local Government shall, in every case in which a loan is made under these rules to any local fund or to municipality, make provision for the proper inspection of the works in course of construction or repair, for which the loan is made, and for ascertaining and securing that the loan is duly applied to the purposes for which it is made. Every such work, and the accounts connected therewith, shall be open at all times to the inspection of the superintending or executive engineer in whose division it is situate, and of any person who may be authorised to inspect the accounts of the local or municipal fund, and of any other person specially authorised in this behalf by the Governor General in Council or by the Local Government.

IX.—If the Local Government is of opinion that the conditions on which the loan was granted have been departed from, or that the body, committee or persons to which or to whom the loan was made have failed to comply with any of the requirements imposed upon them by these rules, it may, at any time, order that no further payments shall be made on account of the loan, and may proceed to recover the amount advanced, with interest thereon, in the manner prescribed by Section V of the said Act.

X.—(*a*) Interest shall be charged on every loan under the said Act at the rate of four and a half per centum a year, and shall be reckoned on each instalment thereof from the date on which it is advanced.

(*b*) Interest upon the outstanding principal debt shall become due and shall be paid half-yearly on the 30th June and 31st December.

(*c*) The principal shall be repaid in such instalments that not less than one quarter of the whole shall be repaid within five years, not less than one-half within ten years, not less than three-quarters within fifteen years, and the whole within twenty years.

(*d*) Provided that, with the special sanction of the Governor General in Council it may be agreed, in any case, that the principal shall be repaid in such instalments that not less than one-fifth of the whole shall be repaid within ten years, not less than one-half within twenty years, and the whole within thirty years.

XI.—In the case of any loan under the said Act, the cost of any enquiry made under Rule IV, of advertisements published under Rule V, and of inspections made under Rule VIII, shall be determined by the Local Government, and shall be chargeable against the borrowers as costs in effecting the loan.

XII.—(*a*) The accounts of loans under this said Act shall be kept by the Accountant General or Deputy Accountant General, as the case may be, of the Province in which they are respectively made.

(*b*) The body, committee or persons to whom any such loan may have been granted shall give to the Accountant General or Deputy Accountant General, as the case may be, and to the Local Government, any information which they may require regarding the expenditure of the loan, and regarding the cesses, rates, duties, taxes, and other income or property, which may have been made, or may become, liable as security for the loan.

XIII.—An annual statement of all loans and of advances made, and repayments due and made during the year, and balances outstanding at the beginning and end of the year in each province, or under each Local Government, shall be prepared by the Accountant General or Deputy Accountant General, and submitted through the Local Government to the Government of India. The statement shall also show, generally, how far the works for which the loan was made have progressed. A copy of the statement shall be published in the local official Gazette.

XIV.—The attachment of any fund, rate, cess tax, duty, or any property held as security for any loan under the said Act shall be made by a notice addressed to the body, committee or persons to whom the loan has been made prohibiting the collection of such fund, rate, cess tax, or duty, or suspending the management of such property by such body, committee or persons, and vesting the administration thereof in such officer as the Local Government may appoint. Such notice shall be published in the local official Gazette, and otherwise, as may be directed by the Local Government, within the local limits of the authority of the body, committee or persons concerned. The moneys collected or received under such attachment shall be paid into the Government treasury, and the accounts of moneys shall be prepared in such form as the Local Government may, on the report of the Accountant General, from time to time direct. A copy of such accounts shall be delivered to the committee or persons aforesaid, and a copy shall be published in the local official Gazette, and, if the Government of India so direct, submitted to it.

XV.—No violation of these rules shall vitiate the claim of the Government to recover any loan made under the said Act in the manner provided by Section V of the Act.

GOVERNMENT OF INDIA.

FINANCIAL 1873 DEPARTMENT

ACCOUNTS.

October.

No. 30.

Revised rules for the grant of loans t
Municipalities &c.

Keep With—Office Note

REFERENCE TO FORMER CASES.

Accts. Pro, May 1872, No. 98.
„ „ March 1873, Nos. 48 to 58.
„ „ June „ „ 9 & 10.

REFERENCE TO LATER CASES.

1876

From The Govt: of India

To Finl: Dept

Simla

Dated 26th May

Despatched

Received 2d June

ENCLOSURES NO.

General No. 4651

No.

Forwarding copy of a Resolution on the subject of no loans of public money to be given under the provisions of any Pol: law.—

The Resolution of 12th Jan: was republished in Pub: Dept: Communiqué to Govt: N.W. Govt: & Govt: of Oudh and was also published in the Local Gazette.—

The same Govt: may be now followed with reference to this Resn

2-6-76

2669

No. 465.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

ACCOUNTS.

SIMLA, THE 26 MAY 1876.

Read again—

Resolution in this Department, No. 191, dated 12th January 1876, deciding that, without the previous sanction of the Government of India in the Financial Department, no loan of public money shall be made under the provision of any special law, bearing a less rate of interest than 4½ per cent., and that no such loan shall be made otherwise bearing a lower rate of interest than 6 per cent.

Read—

A letter from Chief Commissioner of Oudh, No. 1625, dated 10th April 1876, enquiring, with reference to the above orders, whether interest at 6 per cent. is to be charged on advances made to public servants for building purposes.

RESOLUTION.—The Governor General in Council is pleased to declare that it was not intended by the Resolution of 12th January 1876, No. 191, to prescribe that interest should be charged on advances made to public servants for building purposes.

ORDERED, that the foregoing be communicated for information and guidance to the several local Governments and Administrations, and to the Comptroller General, and the several Accountants General and Deputy Accountants General in independent charge.

J Barbour

Under-Secy. to the Govt. of India.

1876 C. 5280

No 85.

From Offg. Secy. to the Govt of India. Rev. Agri. & Commerce

To

Dated 26 October 1876

Despatched

Received November.

ENCLOSURES NO. 5 sp copies

General No.

No. 912

Transmits the Local Public Works Loans Act from private members.

Circulated vide P 806

1- Ack on receipt for attention
2- To submit Draft
8-11-76

Submitted

No. 21
912

FROM

THE HON'BLE T. C. HOPE,

Offg. Secretary to the Government of India,

To the Chief Commissioner of Mysore & Coorg

Department of Revenue, Agriculture, and Commerce.

General.

SIMLA, *the 26th October* 1876.

SIR,

REFERRING to paragraph 11 of the Resolution of the Government of India in the Financial Department, No. 1967, dated the 31st July last, in which it was stated that, owing to the limited means at present at the disposal of Government for granting loans to municipal and other corporations, no application for such loans should be made or forwarded by any Government officer except for purposes which admit of no postponement, I am directed to invite attention to Section 6 of the Local Public Works Loans Act, 1871.

2. This section permits loans to be taken, on the authority of the Local Government with the previous sanction of the Governor General in Council, from persons other than Government under the same conditions as those under which money might have been borrowed from Government, that is, on the same security, for the same purposes, and subject to the same powers of recovery.

3. I am to suggest that if it shall appear to _____ that in any case a loan required by a municipality or other local body for any work of public improvement which might under ordinary circumstances have been provided for by a Government loan can be raised locally, an application should be made to the Government of India for sanction to such loan being taken on the terms mentioned in Section 6 of the Act referred to. In submitting any such applications it should be shewn that the loan required can be taken up from purely local resources, and that the funds from which it will be drawn will not diminish those available for meeting any general loan which the Imperial Government may wish to raise.

I have the honour to be,

SIR,

Your most obedient Servant,

Offg. Secretary to the Government of India.

1876

DEPARTMENT OF REVENUE, AGRICULTURE. AND COMMERCE

GENERAL.

To

No. 21

Dated Simla, the 26th October 1876.

SUBJECT.

LOANS under the Local Public Works Loans Act from private parties.

G. C. B. P., Simla—27-10-76—250.

1877 07879
141

From Secy: to Govt of India,
Financl Deptt

To

Dated 16 March 1877

Despatched

Received 28.3.77

Enclosures No. 2 spare copies.

General No. 522 3/1877.
No.

Resolution regarding the mode of repayment of public loans.

1- Mr Custom Instr.
- tions

2. To Compiler Myson Gazette

26-3-77

27/3/77

No. 1522.

GOVERNMENT OF INDIA

FINANCIAL DEPARTMENT.

Accounts and Finance.

Fort William, the 16th March 1877.

Read again—

Resolution of the Government of India in the Financial Department, No. 4045, dated 30th October 1875, regarding the mode of repayment of public loans

RESOLUTION.—The Governor General in Council is pleased to rule that when a loan of public money is taken out in instalments, the first half-yearly repayment shall not be demanded until six months after the last instalment is taken; meanwhile simple interest only shall be charged. But should it appear that there is undue delay on the part of the debtor in taking out the last instalment of a loan, the Local Government may at any time declare the loan closed, and order repayment of capital to begin.

2. The Accountant General should bring to notice any delay that appears to him to require this remedy.

ORDERED, that this Resolution be communicated to the several Local Governments and Administrations, the Comptroller General, and the several Accountants General and Deputy Accountants General in independent charge.

(Sd.) R. B. Chapman,
Secy to the Govt of India

Secretary to the Government of India.

1877. O/1134
17

From Madras Govt. to Govt. of India, Financial Dept.

To

Dated 21st May

Despatched

Received 5th June 77

Enclosures No. 2 spare copies

General No.

No. 671

Repayment of public money given on loan

To Compiler Mysore Gazette for re-publication.

By order

5-6-77

No. 671.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

ACCOUNTS.

SIMLA, THE 21ST MAY 1877.

Read again—

Financial Resolution, No. 1522, dated 16th March 1877, ruling that when a loan of public money is taken out in instalments, the first half-yearly repayment shall not be demanded until six months after the last instalment is taken.

Read—

A letter from the Accountant General, Bengal, No. 22 B., dated 12th April 1877, pointing out that there would be a difficulty in applying these orders to Loans which are repayable with interest by fixed instalments, as under the rule laid down in Financial Notification, No. 821, dated 4th June 1873, interest is to be realised on the 30th June and 31st December of each year.

RESOLUTION.—The Governor General in Council is pleased to declare that the order of 16th March 1877 applies universally, but that, if in any case, particular dates in the calendar have been fixed for the payment of interest, or for the repayment of instalments of debt, then such repayments should not begin until the second of the half-yearly dates so fixed, after the loan has been completely taken up, simple interest only being recovered on the first half-yearly date after the completion of the loan. For example, interest is recoverable on a loan advanced under the Rules made by Notification No. 3761, dated 15th October 1873, issued under Section 4 of the Local Public Works Act, and it is payable under Rule X (*b*) on the 30th June and 31st December. Supposing such a loan to be completely taken up on the 31st March, the first repayment of principal will not be due until the 31st December following. Simple interest only will be due on the intermediate 30th June.

ORDERED, that this Resolution be communicated for information and guidance as follows—

To the several Local Governments and Administrations.

To the Comptroller General and the several Accountants General, and Deputy Accountants General in independent charge.

Secretary to the Government of India.

For The Chief Commissioner Mysore

Government — Financial Department, Accounts, No. 3503, dated Simla, the 5th October 1877.

READ again—

The Resolution in this Department No. 2206, dated the 28th July 1877, laying down, in supersession of all old orders on the subject, the procedure for making loans and advances of public money, and for their repayment.

RESOLUTION.—In paragraph 9 of this Resolution, Local Governments were empowered to remit, to a certain extent, *interest* on advances made under the Land Improvement Act 1871, but not any portion of the capital sum advanced. The Governor General in Council is now pleased to rule that, wherever the remission would involve a charge upon Provincial and not Imperial Funds, the Local Government may remit, at its discretion, any portion of the advance made under the Land Improvement Act 1871, which may be found to be irrecoverable.

ORDERED, that this Resolution be communicated to the Department of Revenue, Agriculture and Commerce for information, and to the several Local Governments and Administrations; to the Comptroller General; and to the several Accountants General and Deputy Accountants General in independent charge for information and guidance.

Original papers returned, a copy being kept.

R. H. HOLLINGBERY,
Asstt. Secy. to the Govt. of India.

To—The Chief Commissioner of Mysore.

No. 7136—FINL. 13, DATED BANGALORE, 1ST NOVEMBER 1877.

ORDER THEREON.—Ordered to be communicated to the undermentioned officers for information, in continuation of this office Proceedings No. 5361—6, dated 1st September 1877.

T. CLARKE,
Secretary.

To—The Commissioners of Divisions.
" Dy. Commissioners of Districts.
" Dy. Accountant General.
" Superintendent of Coorg.

GOVERNMENT OF MYSORE

FINANCIAL.

THE COMMISSIONERS OF DIVISIONS.
" DY. COMMISSIONERS OF DISTRICTS.
" DY. ACCOUNTANT GENERAL.
" SUPERINTENDENT OF COORG.

Dated November 1st

Despatched

Received

No 7136.
15.

Communicates Government of India, Financial Department Resolution No. 3503, dated 5th October 1877, authorizing Local Governments to remit any portion of the advance made under the Land Improvement Act 1871, which may be found to be irrecoverable, wherever the charge falls upon Provincial and not Imperial Funds.